

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

**Paula T. Rogers
Commissioner**

**Monica A. Ciolfi
Deputy Commissioner**

PRESS RELEASE

FOR IMMEDIATE RELEASE
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**NEW HAMPSHIRE INSURANCE DEPARTMENT APPROVES
SALE OF BLUE CROSS TO ANTHEM**

October 26, 1999 Insurance Commissioner Paula Rogers today approved, with numerous detailed conditions, the sale of the assets of Blue Cross Blue Shield of New Hampshire and the Matthew Thornton Health Plan to Anthem Insurance Companies of Indiana. Anthem will create a New Hampshire-based subsidiary to operate the insurance business now conducted by Blue Cross Blue Shield and will also acquire control of Matthew Thornton's managed care business. The Commissioner's decision follows three days of public hearing in August at which officials of Anthem and BCBSNH testified and answered questions about the proposed sale. At the hearing the Commissioner additionally considered the views of legislators, members of the public, and twelve organizations representing consumers, providers, and employers. The record stayed open for 30 days after the hearing and numerous comments were received and considered during this period.

Among the conditions the Commissioner imposed are requirements that Anthem offer health insurance for individuals for three years beginning no later than ninety days

from now, and to maintain the products currently offered by BCBSNH and Matthew Thornton for three years unless the Insurance Department allows termination of the products. Anthem will also be required to maintain employment of New Hampshire employees at no less than the level which is proportional to all Anthem members throughout the nation, (including plans which Anthem administers for self-insured groups). If Anthem reduces employment in New Hampshire it must offer out-placement or re-training services to laid-off employees.

Anthem must also provide community benefits—including contributions and/or donated services to the New Hampshire Healthy Kids Program, the Vaccine Purchase Fund, and the Health Link Program—at at least the same level that BCBSNH provided on average during the past two years.

Under the Commissioner's Order, Anthem will establish an Advisory Board comprised of members who have knowledge and experience in dealing with the health care needs of New Hampshire citizens, and one or more members must be experts in the health care needs of special populations, such as the mentally ill, persons with disabilities and chronic health conditions and those in the medically-underserved New Hampshire communities. The Advisory Board will periodically consult with Anthem executives on any significant changes in products, employment levels, provider contracting, medical management, drug formulary, and network access. A representative of the Insurance Department must be allowed to attend Advisory Board meetings and review information submitted to the Advisory Board. Anthem will also have to submit detailed data to the Insurance Department every six months on consumer satisfaction, medical care, and provider credentials, and designate senior executives as liaisons to the NHID.

Commissioner Rogers said:

“Because of the magnitude and importance of this transaction, involving New Hampshire’s largest health insurer and the only non-profit one, it is appropriate to condition approval of Anthem’s purchase on certain requirements that will encourage the offering of individual health insurance policies, maintain a stable and comprehensive provider network, achieve high standards of member satisfaction and require full disclosure and consultation before making changes that would potentially affect thousands of consumers, providers and employers throughout New Hampshire. I look forward to a constructive relationship with Anthem as it assumes control of BCBSNH and Matthew Thornton.”

The Commissioner’s approval is separate from the forthcoming decision of the New Hampshire Probate Court on the petition of BCBSNH to end its existence as a charitable trust in return for the creation of a new foundation to fund health care programs. Anthem has agreed to endow the foundation with approximately \$80 million depending on the final calculation of the purchase price for the BCBSNH and Matthew Thornton assets.